



Delphi Separation Allowance Plan
Employee Policy, Benefit and Outplacement Services Information
2008

This material presents general information only and is based on policy and benefit plan provisions in effect as of this date. It is not intended to nor does it provide all details about each program and policy. Complete descriptions of each are contained in official plan documents that are the governing plans over other oral or written statements. Furthermore, Delphi Corporation reserves the right to amend, change, or terminate any program, benefit, or policy at any time. Only the Board of Directors, or its delegate, has this authority. The information contained herein and any specific item described does not imply any guarantee.

POLICY PROVISIONS

Eligibility

Separation Allowance Plan benefits are payable to U.S. employees compensated as regular or flexible service salaried employees, who are separated from employment as the result of an Eligible Termination which includes without limitation:

- Mutually Satisfactory Release;
- Certain Special Separations which may include:
 - The closing of an office or business location;
 - A reduction in force;
 - Downsizing;
 - Restructuring, reorganization or re-engineering of a business group, unit or department;
 - Job elimination; or
 - Other circumstances Delphi determines which may or may not be characterized as a Limited Program of Terminations

Separation Allowance Plan benefits are not payable in the event of employment termination as a result of:

- Retirement;
- Quit (which includes an employee's failure to accept a suitable offer of employment);
- Discharge (for personal misconduct);
- Voluntary termination of employment unless the termination results from participation in a special incentive separation program which treats the separation as an Eligible Termination.
- Transfers between the Corporation and any of its wholly owned or substantially wholly owned domestic and foreign subsidiaries or other entity owned by Delphi;
- Separation arising out of outsourcing, the sale of a corporate unit, merger or other combination, spin-off, reorganization, liquidation, dissolution, or other winding up involving Delphi where the employee continues or is offered the opportunity to continue employment;
- A court decree;
- Death;
- Release due to unsatisfactory performance while in the Orientation and Development period;
- Final Release.

Severance Pay

Eligible Employees who do not sign a Release of Claims will be eligible to receive one (1) month's base pay.

Eligible Employees who sign and do not revoke a Release of Claims will be eligible to receive Severance Pay according to the following schedule:

Length of Service	Months of Severance Pay
0 but less than 5	3 months
5 but less than 10	4 months
10 but less than 15	6 months
15 but less than 20	8 months
20 but less than 25	10 months
25 or more	12 months

Severance Pay will be:

- Based on the employee's unbroken length of service, calculated on full, 12 month, years of service.
- Calculated on the last monthly base salary except for those employees returning to "regular active" from "flexible service" status. An Employee who, at the time he or she is notified of their Eligible Termination, was a "flexible service" employee for less than 60 days and who, immediately prior to being classified "flexible service", was a "regular active" employee will be returned to "regular active" status for purposes of determining Severance Pay.
- Paid in a lump sum.
- Taxable.

- Severance Pay will be issued in the Employee's next regularly scheduled payroll after the date of separation if Human Resources received the signed Release of Claims and the seven-day revocation period has expired prior to the payroll processing cutoff. Otherwise, the Severance Pay will be issued on the first available payroll processing date following receipt of the signed Release of Claims and expiration of the seven-day revocation period
- Payments may be reduced by any amount owed by the Employee to the Corporation.

Other Transition Assistance

Other Transition Assistance consists of (1) the opportunity to utilize Delphi-provided outplacement services to assist employees in obtaining employment outside the Corporation and (2) a \$2,000 lump sum payment which the Employee, at his or her discretion, may use toward COBRA health care continuation coverage through Delphi if the employee is not eligible to retire with Corporate contributions for health care in retirement at the time of the separation. Employees who are eligible to retire with corporate contributions for health care in retirement at the time of the separation are not eligible for this \$2,000 payment. The local HR Representative will assist in scheduling outplacement service. Use of the outplacement service should commence within sixty days of separation and will generally be limited to six months in duration.

- Eligible Employees who sign a Release of Claims will receive Severance Pay and Other Transition Assistance.
- Eligible Employees who do not sign a Release of Claims will not be eligible for Other Transition Assistance.

Vacation

- During Transformation employees impacted by involuntary programs will vest vacation on a monthly basis. Employees may use or receive payment for vacation based on last month worked. Example: Separation effective 5/1/2008, vacation vested four (4) months or 33.3%. Vacation for an employee with 5 yrs service = 120 hours, $(120 \times .333 = 39.96)$ hours vested, round to nearest whole or 40 hours of entitlement. Employees eligible for the four (4) additional days, (hired before 12/31/2000) will vest under the same criteria above.
- Retirement-eligible employees will receive 100% of their annual vacation entitlement, including additional vacation days (if length of service date is on or before 12/31/2000), if effective date of retirement is on or after March 1. For retirements effective February 1, the maximum allowable vacation days is equal to number of working days for the month of January.
- Employees impacted by the involuntary programs will be allowed to revoke their deductions for purchased days with their final paycheck. Employees may use or receive payment for days purchased through payroll deductions; however no payment may be received after the plan year. Employees who have used more days than deducted through payroll will have the remaining dollars deducted from their last paycheck. Vested vacation must be utilized prior to purchase days.

Company Leased Vehicles/ Car Allowance

- Separated employees with Company leased vehicles must return the vehicle on the last day worked.
- Company paid vehicle allowances will be discontinued at the end of the pay period in which the last day of work occurred.

Tuition Assistance

- Separated employees who have started a class prior to their employment being severed will be able to use Tuition Assistance for the class.
- Separated employees who are not in class prior to their employment being severed may not use Tuition Assistance.

Incentive Compensation

- Employees must be on the active roll on date of the incentive compensation payout to be eligible to receive incentive compensation. Eligible employees who retire or accept a separation payment under Separation Allowance Plan guidelines prior to the payout maintain their eligibility to receive a prorated award.

Flexible Compensation Payment

- The Flexible Compensation payment or installment into S-SPP will be discontinued at the end of the month of separation for eligible employees. If an employee separates on or before 3/14/08 and elected the lump sum they are not eligible to receive the 3/14/2008 FCP.
- Employees who are eligible to retire under the Separation Allowance Plan guidelines maintain their eligibility to receive the Flexible Compensation Payment (FCP), if effective date of separation is after 2/1/08.

Benefits

The information provided on the next two pages is intended as a guide to the potential impact the separation may have on benefits provided under the plans identified. Employees must contact the appropriate plan administrator for complete details.

BENEFIT IMPACT FOR SEPARATED EMPLOYEES NOT ELIGIBLE TO RETIRE AND THOSE ELIGIBLE FOR DEFERRED VESTED RETIREMENT			
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Benefit Plan/Program	Benefit Plan Impact for Employees with a Length of Service Date on or before 12/31/00	Benefit Plan Impact for Employees with a Length of Service Date on or after 1/1/01	Contact Numbers for Employee Questions
Health Care	Coverage terminates at the end of month of separation provided Employee contribution, if any was paid. COBRA or Conversion available. *	Coverage terminates at the end of month of separation provided Employee contribution, if any was paid. COBRA or Conversion available.	National Benefit Center 1.866.335.7444. The NBC will send out the appropriate paperwork
Health Care Spending Account	Contributions for remainder of the calendar year are taken from final active paycheck and are available for claims for services in that year. Claims can be submitted through 3/31 of the following year.	Contributions for remainder of the calendar year are taken from final active paycheck and are available for claims for services in that year. Claims can be submitted through 3/31 of the following year.	National Benefit Center 1.866.335.7444
Dependent Care Spending Account	Contributions terminate with final active paycheck and balance of account is available for claims in that calendar year. Claims can be submitted through 3/31 of the following year.	Contributions terminate with final active paycheck and balance of account is available for claims in that calendar year. Claims can be submitted through 3/31 of the following year.	National Benefit Center 1.866.335.7444
Basic Life Insurance	Coverage terminates at end of month of separation. Conversion available.*	Coverage terminates at end of month of separation. Conversion available.	National Benefit Center 1.866.335.7444
Optional Life Insurance	Coverage terminates at end of month of separation. Conversion available.*	Coverage terminates at end of month of separation. Conversion available.	National Benefit Center 1.866.335.7444
Dependent Life Insurance	Coverage terminates at the end of the month of separation. Conversion available.*	Coverage terminates at the end of the month of separation. Conversion available.	National Benefit Center 1.866.335.7444
Personal Accident Insurance	Coverage terminates at the end of the month of separation. Conversion not available.*	Coverage terminates at the end of the month of separation. Conversion not available.	National Benefit Center 1.866.335.7444
Sickness & Accident Benefits	Coverage terminates at the end of the month of separation. No additional coverage is available.*	Coverage terminates at the end of the month of separation. No additional coverage is available.	National Benefit Center 1.866.335.7444
Extended Disability Benefits	Coverage terminates at the end of the month of separation. No additional coverage is available.*	N/A	National Benefit Center 1.866.335.7444
Long Term Disability	N/A	Coverage terminates at the end of the month of separation. No additional coverage is available.	National Benefit Center 1.866.335.7444
Supplemental Extended Disability Benefits	Coverage terminates at the end of the month of separation. No additional coverage is available.*	N/A	National Benefit Center 1.866.335.7444
Retirement Program	Part A - If the employee has 5 or more years of credited service they are eligible for a deferred vested monthly retirement benefit at age 65 or earlier on an age reduced basis. The employee should check on retirement eligibility Part B – If the employee has 5 or more years of credited service they can elect to leave their contributions in Part B and commence receiving a monthly retirement benefit at age 65 or earlier on an age reduced basis. The employee also has the option of withdrawing all their contributions plus interest to the date of such election.	Retirement Accumulation Plan – If the employee has 5 or more years of credited service they have the option of leaving their assets in the Plan where they will continue to earn interest credits each year until they take a distribution, or take the balance with them, or roll it over into an IRA or another employer's plan.	Fidelity Benefit Center 1.877.389.2374
Stock Options	Employee retains vested options, with three (3) years to exercise.	Employee retains vested options, with three (3) years to exercise.	Contact Salomon Smith Barney 1.877.4Delphi
Savings-Stock Purchase Program	Employee may elect to receive full distribution of all assets, or if assets are greater than \$5,000, they may be left in program until age 70 1/2. Employee retains ability to manage account. Employee with less than 3 years forfeits Delphi contributions that are not vested.	Employee may elect to receive full distribution of all assets, or if assets are greater than \$5,000, they may be left in program until age 70 1/2. Employee retains ability to manage account. Employee with less than 3 years forfeits Delphi contributions that are not vested.	Fidelity Benefit Center 1.877.389.2374
New Vehicle Purchase Program	Program eligibility dependent on vendor program. Generally, must be an active Employee.	Program eligibility dependent on vendor program. Generally, must be an active Employee.	Call the manufacturer 800 number for discount.

***Generally, for benefit impact purposes separation means the last day worked.**

Benefit Impact For Employees Eligible to Retire with a Length of Service Date on or Before 12/31/2000 (Does Not Include Employees Eligible for a Deferred Vested Retirement) This material presents general information only and is based on policy and benefit plan provisions in effect as of this date. It is not intended to nor does it provide all details about each program and policy. Complete descriptions of each are contained in official plan documents that are the governing plans over other oral or written statements. Furthermore, Delphi Corporation reserves the right to amend, change, or terminate any program, benefit, or policy at any time. Only the Board of Directors, or its delegate, has this authority. The information contained herein and any specific item described does not imply any guarantee.		
Benefit Plan/Program	Benefit Plan Impact	Contact Numbers for Employee Questions
Health Care	Election of coverages available (including dental) if hired prior to 1/1/93. Extended Care Coverage (ECC) is a separate election in retirement. Retiree must make a timely decision regarding the ECC election. Waiver or refusal of coverage may result in permanent loss of opportunity to enroll in ECC. Monthly contributions may apply. Corporate contributions in retirement are not applicable to Employees hired after 1/1/93. COBRA or conversion is available. Options may change when retiree becomes Medicare eligible.	National Benefit Center 1.866.335.7444 Pension: 877-389-2374
Health Care Spending Account	Contributions for remainder of the calendar year are taken from final active paycheck and are available for claims for services in that year. Claims can be submitted through 3/31 of the following year.	National Benefit Center 1.866.335.7444.
Dependent Care Spending Account	Contributions terminate with final active paycheck and balance of account is available for claims in that calendar year. Claims can be submitted through 3/31 of the following year.	National Benefit Center 1.866.335.7444
Basic Life Insurance	Coverage of 1X average base salary (ABS) will revert to 2X ABS at retirement. Coverage of 2X ABS reduces according to rules in effect on last day worked.	National Benefit Center 1.866.335.7444
Optional Life Insurance	Coverage, if in force while active, may be continued in retirement at retiree's cost until age 75. This may only be decreased or cancelled. Reductions of 10% per year from age 66 to cancellation at age 75. Conversion is not available.	National Benefit Center 1.866.335.7444
Dependent Life Insurance	Coverage, if in force while active, may continue in retirement at the retiree's cost until the age of 70. This may only be decreased or cancelled. This coverage terminates when the retiree reaches age 70. Conversion is not available.	Retirement Service Center 1.866.335.7444
Personal Accident Insurance	Coverage, if in force while active, may be continued in retirement at the retiree's cost. Maximum coverage reduces to \$150,000 at age 70.	Retirement Service Center 1.866.335.7444
Sickness & Accident Benefits	Coverage terminates at the end of the month prior to retirement. No additional coverage is available.	National Benefit Center 1.866.335.7444
Extended Disability Benefits	Coverage terminates at the end of the month prior to retirement. No additional coverage is available.	National Benefit Center 1.866.335.7444
Supplemental Extended Disability Benefits	Coverage terminates at the end of the month prior to retirement. No additional coverage is available.	National Benefit Center 1.866.335.7444
Savings-Stock Purchase Program	Employee may elect to receive full distribution of all assets, or, if assets are greater than \$5,000, they may be left in program until age 70 1/2. Employee retains ability to manage account. Employee with less than 3 years participation forfeits Delphi contributions that are not vested.	Investment Service Center 1.877.389.2374
Stock Options	Employee retains vested options, with five (5) years to exercise or end of plan whichever comes first.	Salomon Smith Barney 1.877.4Delphi
New Vehicle Purchase Program	Program eligibility dependent on vendor program. Generally, must be an active Employee.	Call the manufacturer 800 number for discount.

Career Transition Service

Delphi Corporation

Lee Hecht Harrison provides the following customized Career Transition Services. These services are designed to assist all levels in the organization make a successful career transition. It includes every element of support that an individual might need and has been tailored to meet the needs of Delphi's employees. Services are provided for the length of time specified by the organization.

Phase 1: Months 1-3

Built around LHH's proven **Milestones for Career Transition** process for successful job search.

- Includes both team and individual consultation with LHH consultants
- Personal and career assessment
- "Milestones" Seminar for Career Transition, Productivity Clinic
- Membership in Job Search Work Team
- Access to LHH office facilities and workspace or equivalent LHH@HOME administrative support
- Access to Career Resource Network
- Access to Interactive Workshops and LHH Job Lead Development activities
- Financial Planning seminars

Phase 2: Months 4-6

Milestones activity continues, with scheduled visits to LHH office to meet with LHH career consultant, and participate in Job Search Work Team on the day the team meets. Access to workspace also provided on that day. Access to Career Resource Network continues on remote basis (accessed from home 24/7, and from office on JSWT day).

Phase 3: Months 7-8

At completion of Month 6, client may be eligible for service continuation, if he/she has not yet landed and is fully engaged in search. If so, an additional month of service (at same support level as Phase 2) will be provided. A second month (to a maximum of two) may also be provided as necessary and appropriate.